

**PACIFIC OPERA VICTORIA ASSOCIATION**

**Financial Statements**

**Year Ended June 30, 2021**

**PACIFIC OPERA VICTORIA ASSOCIATION**

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**Year Ended June 30, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Directors of Pacific Opera Victoria Association

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Pacific Opera Victoria Association (the Society), which comprise the statement of financial position as at June 30, 2021, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended June 30, 2021, current assets and net assets as at June 30, 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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\* Denotes professional corporation

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

*Obara & Company LLP*

Victoria, B.C.  
November 12, 2021

Chartered Professional Accountants

**OBARA & COMPANY LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS



**PACIFIC OPERA VICTORIA ASSOCIATION**

**Statement of Financial Position**

**June 30, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 888,541	\$ 848,897
Cash - Operating Reserve	500,000	-
Investments	300,658	812,575
Accounts and grants receivable (Note 17)	372,317	292,952
Goods and services tax recoverable	19,555	5,541
Prepaid expenses	41,763	27,544
Pledges receivable	41,327	92,490
Deferred costs (Note 4)	34,003	249,477
	<u>2,198,164</u>	<u>2,329,476</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>1,115,509</u>	<u>617,678</u>
	<u><b>\$ 3,313,673</b></u>	<u><b>\$ 2,947,154</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 119,777	\$ 85,666
Current portion of long term debt (Note 6)	-	10,000
Deferred revenue (Note 7)	672,562	1,033,371
	<u>792,339</u>	<u>1,129,037</u>
<b>DEFERRED REVENUE - ANNIVERSARY CAMPAIGN (Note 8)</b>	<u>856,800</u>	<u>1,319,049</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 9)</b>	<u>1,099,651</u>	<u>585,139</u>
	<u>2,748,790</u>	<u>3,033,225</u>
<b>NET ASSETS</b>		
Unrestricted Fund	49,025	(118,610)
Invested in Capital Fund	15,858	32,539
Operating Reserve (Note 2)	500,000	-
	<u>564,883</u>	<u>(86,071)</u>
	<u><b>\$ 3,313,673</b></u>	<u><b>\$ 2,947,154</b></u>

**ON BEHALF OF THE BOARD**

 Director

 Director

See notes to financial statements

**PACIFIC OPERA VICTORIA ASSOCIATION**

**Statement of Changes in Net Assets**

**Year Ended June 30, 2021**

	Unrestricted Fund	Invested in Capital Fund	Operating Reserve	2021	2020
<b>Net assets - beginning of year</b>	\$ (118,610)	\$ 32,539	\$ -	\$ (86,071)	\$ (50,029)
Purchase of capital assets	(674,243)	674,243	-	-	-
Amortization of capital assets	176,412	(176,412)	-	-	-
Amortization of Deferred capital contributions	(118,928)	118,928	-	-	-
Deferred capital contributions received	633,440	(633,440)	-	-	-
Excess of revenues over expenses	650,954	-	-	<b>650,954</b>	(36,042)
Transfers (Note 8)	(500,000)	-	500,000	-	-
<b>Net assets - end of year</b>	<b>\$ 49,025</b>	<b>\$ 15,858</b>	<b>\$ 500,000</b>	<b>\$ 564,883</b>	<b>\$ (86,071)</b>

See notes to financial statements

# PACIFIC OPERA VICTORIA ASSOCIATION

## Statement of Revenues and Expenses

Year Ended June 30, 2021

	2021	2020
<b>REVENUES</b>		
Donations (Notes 8, 10)	\$ 1,413,618	\$ 1,206,658
Government grants	1,340,140	1,587,939
Foundation income (Note 10)	762,989	545,291
Government COVID-19 subsidies (Note 17)	598,568	185,144
Amortization of deferred capital contributions (Note 9)	118,928	115,265
Gaming grant	100,000	100,000
Pacific Opera Victoria Foundation (Note 12)	77,599	12,000
Sponsorships (Note 10)	52,000	158,000
Fundraising events (Note 11)	33,320	44,442
Ticket sales	11,727	560,594
Co-production/rental revenue	10,939	215,586
Opera Centre rental revenue	6,975	17,453
Gain (Loss) on sale of investments	5,624	(4,410)
Interest income	2,937	12,321
	<u>4,535,364</u>	<u>4,756,283</u>
<b>EXPENSES</b>		
<b>Artistic Operations</b>		
Artists	639,786	1,126,159
Co-production/rental expenses	11,214	46,157
Orchestra	71,665	322,682
Sets, costumes and sundry	165,887	144,770
Shop lease and expenses	242,610	204,808
Technical staff	506,154	678,144
Theatre charges	10,744	90,573
	<u>1,648,060</u>	<u>2,613,293</u>
<b>Marketing and Fundraising</b>		
Marketing (Note 13)	185,574	330,241
Fundraising	90,555	87,701
	<u>276,129</u>	<u>417,942</u>
<b>Administration</b>		
Amortization	176,412	166,531
Interest and bank charges	39,151	49,369
Office	66,122	112,461
Opera Centre rent and expenses	165,075	141,255
Postage and courier	7,454	7,723
Professional development	24,047	8,532
Professional and consulting fees	53,749	80,348
Telephone	22,608	32,489
	<u>554,618</u>	<u>598,708</u>
<b>Salaries and benefits</b>	<u>1,405,603</u>	<u>1,162,382</u>
	<u>3,884,410</u>	<u>4,792,325</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 650,954</u>	<u>\$ (36,042)</u>

See notes to financial statements

# PACIFIC OPERA VICTORIA ASSOCIATION

## Statement of Cash Flows

Year Ended June 30, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of revenues over expenses	\$ 650,954	\$ (36,042)
Items not affecting cash:		
Amortization of capital assets	176,412	166,531
Amortization of deferred capital contributions	(118,928)	(115,265)
	<u>708,438</u>	<u>15,224</u>
Changes in non-cash working capital:		
Accounts and grants receivable	(79,365)	25,896
Goods and services tax recoverable	(14,014)	(4,134)
Prepaid expenses	(14,219)	(321)
Pledges receivable	51,163	180,732
Deferred costs	215,474	(108,247)
Receivable from Pacific Opera Victoria Foundation	-	1,000
Accounts payable and accrued liabilities	34,111	(65,555)
Deferred revenue	(360,809)	443,105
Deferred contributions - Anniversary Campaign	(462,249)	32,348
	<u>(629,908)</u>	<u>504,824</u>
Cash flow from operating activities	<u>78,530</u>	<u>520,048</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(674,243)	(188,708)
Net sale of investments	511,917	107,617
Cash flow used by investing activities	<u>(162,326)</u>	<u>(81,091)</u>
<b>FINANCING ACTIVITIES</b>		
Deferred capital contributions received	633,440	73,247
Repayment of long term debt	(10,000)	(10,000)
Cash flow from financing activities	<u>623,440</u>	<u>63,247</u>
<b>INCREASE IN CASH FLOW</b>	<u>539,644</u>	<u>502,204</u>
Cash - beginning of year	<u>848,897</u>	<u>346,693</u>
<b>CASH - END OF YEAR</b>	<u>\$ 1,388,541</u>	<u>\$ 848,897</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 888,541	\$ 848,897
Cash - Operating Reserve	500,000	-
	<u>\$ 1,388,541</u>	<u>\$ 848,897</u>

See notes to financial statements



# PACIFIC OPERA VICTORIA ASSOCIATION

## Notes to Financial Statements

Year Ended June 30, 2021

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### 1. PURPOSE OF THE SOCIETY

Pacific Opera Victoria Association (the "Society"), which was incorporated under the Societies Act of British Columbia in 1975, is registered as a charitable organization (exempt from income taxes) under the Income Tax Act of Canada. The purposes of the Society are:

- To advance the public's appreciation of the arts by creating and staging professional opera for Greater Victoria and for regional, national, and international audiences.
- To provide Canadian artists with opportunities to expand their repertoire and to offer training opportunities to students of music and theatre in the discipline of opera production.
- To enhance the impact of opera through curated events and activities that engage diverse communities.
- To provide opportunities for youth to appreciate and participate in opera, and to promote the use of the arts as a resource for educators.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Assets donated are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	5 years	straight-line method
Computers	3 years	straight-line method
Vehicles	10 years	straight-line method
Leasehold improvements	9 and 10 years	straight-line method

#### Revenue recognition

Pacific Opera Victoria Association follows the deferral method of accounting for revenues.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions including donations, foundation, fundraising events, sponsorships and Pacific Opera Victoria Foundation revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ticket sales, co-production/rental, amortization of deferred capital contributions, Opera Centre rental, other grants, interest and gain (loss) on sale of investment revenues are recognized when earned.

Government grants, gaming grant and government COVID-19 subsidies revenues are recognized when there is reasonable assurance that the Society has complied with and will continue to comply with, all the necessary conditions to obtain the government assistance.

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# PACIFIC OPERA VICTORIA ASSOCIATION

## Notes to Financial Statements

Year Ended June 30, 2021

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Donated services

The Society benefits greatly from donated services, such as time spent by many volunteers on various committees and businesses donating their services for production needs. The value of these donated services are not recognized in these financial statements due to the difficulty in providing a value.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Financial instruments risks

##### (a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk with respect to the accounts receivable. The Society assesses, on a continuous basis, receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts.

##### (b) Other risks

As at June 30, 2021, it is management's opinion that the Society is not exposed to significant currency, interest rate, liquidity, market, or other price risk.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Society be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Society's ability to continue as a going concern is dependent upon its ability to generate future net profits and obtain funding. These financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the Society were unable to continue its operations.

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**PACIFIC OPERA VICTORIA ASSOCIATION**

**Notes to Financial Statements**

**Year Ended June 30, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Fund accounting

Resources for designated activities are segregated for accounting and reporting purposes into specific funds as follows:

(i) The Unrestricted Fund represents monies received and expended in the general day-to-day operations of the Society.

(ii) The Invested in Capital Fund represents the assets, liabilities, revenues and expenses related to the Society's furniture, equipment, computers, vehicles and leasehold improvements.

(iii) The Operating Reserve represents internally restricted funds intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or lost revenues. The Operating Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

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**3. CASH**

	<u>2021</u>	<u>2020</u>
Operating account and petty cash	\$ 447,252	\$ 732,437
BC Community Gaming account	441,289	116,460
	<u>\$ 888,541</u>	<u>\$ 848,897</u>

Line of credit available:

- Royal Bank of Canada with a limit of \$75,000 bearing interest at prime plus 1.5%.

As at the statement of financial position date, there is no amount owing on the line of credit.

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**4. DEFERRED COSTS**

These costs will be expensed in the year the performance and fundraising events occur. The deferred costs balances are as follows:

	<u>2021</u>	<u>2020</u>
Deferred subscription costs	\$ -	\$ 53,985
Deferred production costs	34,003	195,492
	<u>\$ 34,003</u>	<u>\$ 249,477</u>

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**PACIFIC OPERA VICTORIA ASSOCIATION**

**Notes to Financial Statements**

**Year Ended June 30, 2021**

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Furniture and equipment	\$ 325,468	\$ 262,302	\$ 63,166	\$ 39,470
Computers	123,343	99,251	24,092	15,512
Vehicles	180,898	35,011	145,887	163,051
Leasehold improvements - Shop	143,462	143,462	-	-
Leasehold improvements - Balmoral	1,617,966	735,602	882,364	399,645
	<u>\$ 2,391,137</u>	<u>\$ 1,275,628</u>	<u>\$ 1,115,509</u>	<u>\$ 617,678</u>

**6. LONG TERM DEBT**

	2021	2020
Co-production loan bearing interest of 3% per annum	\$ -	\$ 10,000
Amounts payable within one year	-	(10,000)
	<u>\$ -</u>	<u>\$ -</u>

**7. DEFERRED REVENUE**

Deferred revenue represents amounts received prior to the year-end, which relate specifically to events of the subsequent year. Changes in the deferred revenue balance are as follows:

	2021	2020
Ticket subscriptions for subsequent year	\$ 343,230	\$ 329,871
Carmen subscriptions and ticket sales	144,414	172,121
BC Arts Council Grant	110,000	121,600
The Flight of the Hummingbird	44,227	8,378
Open Air Festival	23,566	-
Gift certificates	7,125	5,476
CRD Arts & Culture Operating Grant	-	112,725
Canada Council Grant	-	283,200
	<u>\$ 672,562</u>	<u>\$ 1,033,371</u>
Deferred revenue, beginning of year	\$ 1,033,371	\$ 590,266
Amounts received during year	217,084	1,031,538
Amounts recognized as revenue	(577,893)	(588,433)
Deferred revenue, end of year	<u>\$ 672,562</u>	<u>\$ 1,033,371</u>

**PACIFIC OPERA VICTORIA ASSOCIATION**

**Notes to Financial Statements**

**Year Ended June 30, 2021**

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**8. DEFERRED REVENUE - ANNIVERSARY CAMPAIGN**

Contributions received during the 40th Anniversary Campaign will be deferred and recognized as revenue in the same periods as the related expenses are recognized. Changes in the deferred balance are as follows:

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning of year	\$ 1,319,049	\$ 1,286,701
Amounts received during year	37,751	232,348
Amounts recognized as revenue	(500,000)	(200,000)
Deferred revenue, end of year	<u>\$ 856,800</u>	<u>\$ 1,319,049</u>

Amounts recognized as revenue are included in donations on the statement of revenues and expenses. \$500,000 was recognized in 2021 to establish the Board-designated Operating Reserve in accordance with campaign goals.

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**9. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent capital assets funded by government and private donations. The contributions are recognized as revenue as the capital assets are amortized. Changes in the deferred capital contributions balance are as follows:

	<u>2021</u>	<u>2020</u>
Deferred contributions, beginning of the year	\$ 585,139	\$ 627,157
Deferred contributions received	633,440	73,247
Amounts recognized as revenue	(118,928)	(115,265)
Deferred contributions, end of the year	<u>\$ 1,099,651</u>	<u>\$ 585,139</u>

\$7,325 (2020 - \$3,662) of the amounts recognized as revenue relate to the deferred BC Gaming Capital Project Grant.

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**10. PLEDGE REVENUE**

Pledge revenue has been recognized in the following revenue sources:

	<u>2021</u>	<u>2020</u>
Donations	\$ 32,227	\$ 27,490
Foundation income	-	65,000
Sponsorships	-	2,500
Total pledge revenue recognized during the year	<u>\$ 32,227</u>	<u>\$ 94,990</u>

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**PACIFIC OPERA VICTORIA ASSOCIATION**

**Notes to Financial Statements**

**Year Ended June 30, 2021**

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**11. FUNDRAISING EVENTS**

Fundraising events represents the revenues recognized net of direct expenses from the fundraising events held during the fiscal year.

	<u>2021</u>	<u>2020</u>
Revenues	\$ 52,333	\$ 45,243
Expenses	(19,013)	(801)
Net revenues	<u>\$ 33,320</u>	<u>\$ 44,442</u>

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**12. PACIFIC OPERA VICTORIA FOUNDATION**

The Society has a collaborative partnership with the Pacific Opera Victoria Foundation (the "Foundation") and appoints two Directors to the Board of the Foundation, one of whom shall be the President. The Foundation is registered as a charitable organization (exempt from income taxes) under the Income Tax Act of Canada and all transactions between the Society and the Foundation are reported at fair value.

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**13. MARKETING**

Marketing represents the net expenses incurred promoting the operas held during the fiscal year.

	<u>2021</u>	<u>2020</u>
Expenses	\$ 185,574	\$ 339,346
Expenses recovered	-	(9,105)
Net expenses	<u>\$ 185,574</u>	<u>\$ 330,241</u>

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# PACIFIC OPERA VICTORIA ASSOCIATION

## Notes to Financial Statements

Year Ended June 30, 2021

### 14. CONTRACTUAL OBLIGATIONS

The premise lease agreement for the Opera Shop is for a 5 year term commencing March 1, 2021 ending February 28, 2026. Basic monthly rent payments, not including GST are \$8,715 then increasing to \$9,441 on March 1, 2023. Additional common costs are approximately \$5,774 per month.

The premise and parking lease agreement for the Baumann Centre is for a 7 year term commencing December 1, 2018 and ending November 30, 2025, with an option to renew for an additional 5 year term. Monthly parking fees are \$1,500 and basic monthly rent payments are \$6,075 with an annual adjustment on December 1st.

The Society has a 5 year office equipment lease which will be complete May 18, 2022. The quarterly payments are \$469 plus applicable taxes.

The minimum lease obligations over the next five years are as follows:

2022	\$ 264,729
2023	267,673
2024	273,483
2025	273,483
2026	159,597
	<u>\$ 1,238,965</u>

### 15. ASSETS HELD BY FOUNDATIONS

The Victoria Foundation and the Pacific Opera Victoria Foundation hold funds in trust, in perpetuity, while the Society retains the right to income in perpetuity, from the funds and additions thereto. Since the Society only receives income and has restrictions to access the capital balance of these funds, the endowment funds are not shown on these statements.

The Society has established the following endowment funds with the Victoria Foundation:

The Pacific Opera Victoria Arts Renaissance Fund was established in December 2005. The fair market value of the endowment fund as of June 30, 2021 is \$3,225,021 (2020 - \$2,828,288).

The David Spencer Memorial Fund for Pacific Opera Victoria was established in November 2008. The fair market value of the endowment fund as of June 30, 2021 is \$1,267,400 (2020 - \$1,111,488).

The Egon Baumann Music Fund for Pacific Opera Victoria Fund was established in November 2014. At that time, the Egon Baumann Music Foundation donated \$250,000 to establish the fund. The Department of Canadian Heritage provided a 97% matching contribution of \$243,014 into this fund as well. The fair market value of the endowment fund as of June 30, 2021 is \$603,171 (2020 - \$528,961).

The Society has established the following endowment fund with the Pacific Opera Victoria Foundation:

The David Spencer Fund was established in November 2018. The fair market value of the endowment fund as of June 30, 2021 is \$623,917 (2020 - \$404,040).

The Voigt-Stockey Fund for Young Artists was established in October 28 2020. The fair market value of the endowment fund as of June 30, 2021 is \$863,325.

## **PACIFIC OPERA VICTORIA ASSOCIATION**

### **Notes to Financial Statements**

**Year Ended June 30, 2021**

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#### **16. REMUNERATION**

For the fiscal year ending June 30, 2021, the Society paid total remuneration of \$638,033 to four employees and one contractor, each of whom received total annual remuneration of \$75,000 or greater.

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#### **17. COVID-19 PANDEMIC**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management has responded to the pandemic operationally by applying for various government subsidies, restricting building access to the public, reducing discretionary spending, and implementing work arrangements for staff in order to reduce the spread of COVID-19. Events that were originally scheduled to occur in person have been moved to a digital delivery model or postponed.

During the year the Society recognized \$598,568 in Government COVID-19 subsidies. \$66,565 under the Canada Emergency Rent Subsidy (CERS) program and \$532,003 under the Canada Emergency Wage Subsidy (CEWS) program. Included in accounts receivable at June 30, 2021 is \$49,995 and \$5,035 for the CEWS and CERS programs, respectively.

The financial position and results of operations as of, and for the year ended, June 30, 2021 have captured the impact of these events. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Society for future periods.

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